

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 602 - Regional Collection Centers (LSB 2235 HV)
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 Fiscal Note Version - New

Description

House File 602 changes the percentage allocation of the funds as specified in Section 455E.11, Code of Iowa, paid into the Solid Waste Account in the Groundwater Protection Fund for permanent household hazardous waste collection sites and for transportation of household hazardous waste.

Background

The Groundwater Protection Fund was created by the 1987 Legislature and is administered by the Department of Natural Resources (DNR). The Fund has four accounts that include: Solid Waste, Agriculture Management, Household Hazardous Waste, and Storage Tank Management. The Bill changes the percentage allocations in the Solid Waste Account for programs that collect and dispose household hazardous waste.

Assumptions

1. The base tonnage fee paid by landfills is \$4.25 per ton. Some landfills pay less as they meet garbage diversion goals and some landfills pay more due to penalties. The average amount retained by a landfill is \$1.20, with \$3.05 remitted to the DNR.
2. The DNR uses \$1.55 of the \$3.05 for Department operations and program support.
3. From the \$1.55, \$0.15 (or 9.5%) is allocated for grants to establish regional collection center sites for household hazardous waste. The current fee collected for this program is \$368,000 per year.
4. From the \$1.55, \$0.05 (or 3.0%) is allocated for reimbursement of the costs to transport and dispose household hazardous waste. The current fee collected for this program is \$123,000 per year.
5. The current number of tons subject to a tonnage fee is 2.5 million.
6. The following table summarizes the changes in revenue for Household Hazardous Waste (HHW) establishment grants and for the transportation of HHW:

Proposed Fee Changes For Household Hazardous Waste Accounts

| <u>FY</u> | <u>Account</u> | <u>Proposed Allocation Percentage</u> | <u>Proposed Fees</u> | <u>Current Fees</u> | <u>Change</u> |
|-----------|------------------------------|---------------------------------------|----------------------|---------------------|---------------------|
| 2006 | HHW Collection Establishment | 9.50% | \$ 368,000 | \$ 368,000 | \$ 0 |
| 2007 | HHW Collection Establishment | 6.25% | 242,000 | 368,000 | - 126,000 |
| 2008 | HHW Collection Establishment | 3.00% | 116,000 | 368,000 | - 252,000 |
| | Total | | | | <u>\$ - 378,000</u> |
| 2006 | HHW Transportation Account | 3.00% | 123,000 | 123,000 | \$ 0 |
| 2007 | HHW Transportation Account | 6.25% | 255,000 | 123,000 | 132,000 |
| 2008 | HHW Transportation Account | 9.50% | 388,000 | 123,000 | 265,000 |
| | Total | | | | <u>\$ 397,000</u> |

Fiscal Impact

The fiscal impact for HF 602 is a decrease in revenue of \$126,000 for FY 2007 and \$252,000 for FY 2008 for grants to establish household hazardous waste collection sites and an increase of \$132,000 for FY 2007 and \$266,000 for FY 2008 for transportation costs of hazardous waste.

Source

Department of Natural Resources

/s/ Holly M. Lyons

March 11, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
